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STEEL & MINES DEPARTMENT

RESOLUTION

The 4th July, 2015

SUBJECT: Approval of the Odisha Mineral Exploration Policy,2015.

Government have been pleased to approve the following Odisha Mineral Exploration Policy, 2015 with the objective of realizing the potential of mining sector through scientific exploration of mineral resources:—

1. Introduction:

Odisha is a State rich in mineral resources. Major minerals such as asbestos, basemetals, bauxite, chinaclay, coal, cobalt, chromite, fireclay, graphite, iron ore, limestone, manganese, minerals sand, nickel, Platinum Group Metals (PGM), tin ore and vanadium with established resources occur in the State. The minor minerals found in the State include dolomite, dunite, pyrophyllite, quartz/ silica sand, quartzite, talc-steatite-soapstone, laterite and sand. The State accounts for 20% of the country's iron ore, 32% of the hematite iron ore, 54% of bauxite, 44% of manganese, 87% of the chromite and 25% of the coal reserves. A statement of estimated volume of mineral resources in the State vis-à-vis the country is given in *Annexure-I*.

2. Importance of mineral exploration for the economy of the State:

2.1. Mining sector accounts for about 7% of the Gross State Domestic Product. However, considering the vast reserves of minerals in the State, there is substantial scope of increasing the contribution of the mining sector to the State's GSDP. The mining sector provides substantial fiscal resources as taxes as well as royalties. Though the current direct employment in the mines is only about 0.60 lakh, it generates substantial employment in ancillary activities like transportation and downstream activities in the mineral based industries.

2.2. Accurate assessment of the mineral resources through scientific exploration is a pre-requisite for optimum exploration of these valuable natural resources. This assumes greater importance in view of the necessity of judicious distribution of these resources

among the applicants, especially those who want them as captive mines, and need for effective planning for value addition as well as for conservation of minerals.

2.3. The MMDR Amendment Act, 2015 provides for auction of major mineral concessions which can be taken up only after proving the mineralization in the proposed lease areas.

2.4. Therefore, there is an urgent need to step up the scientific mineral exploration in the mineral bearing areas of the State for augmenting the estimated mineral resources, systematic planning of mining activities and conservation of minerals.

3. Status of Mineral Exploration in the State:

3.1. The State has a full-fledged Directorate of Geology headed by a Director and consisting of 102 trained and qualified Geoscientists working in the posts of Joint Director of Geology, Deputy Director of Geology, Geologist, Geophysicist and Petrologist.

3.2. Mineral exploration in the State has been carried out by a number of agencies such as the State Directorate of Geology, Odisha (DGO), Geological Survey of India (GSI), Mineral Exploration Corporation Limited (MECL), Odisha Mining Corporation (OMC) and Atomic Mineral Exploration Directorate (AMED).

3.3. The current status of exploration of salient mineral blocks in the State is given in *Annexure-II*.

4. Objectives of Mineral Exploration Policy:

The objective of the Mineral Exploration Policy is to strengthen the institutional set up for the mineral exploration in the State and to upscale the mineral exploration activities in the State with an aim of upgrading the exploration level to G2 level in keeping with the UNFC norms within a reasonable time frame and eventually to G1 level so that the potential of mining sector is achieved through scientific exploitation of mineral resources.

5. Strategy:

The above objective is sought to be achieved with the following strategy:–

5.1. Institutional mechanism:

5.1.1. Directorate of Geology of the State Government, the Geological Survey of India (GSI) and the Mineral Exploration Corporation Limited (MECL) of Government of India are major organizations mandated to undertake mineral exploration for the non-atomic minerals. These organizations are permitted under the proviso to Section 4(1) of the MMDR Act, 1957 to undertake mineral exploration without obtaining a reconnaissance permit, prospecting lease or prospecting license.

5.1.2. The Directorate of Geology will be strengthened with augmentation of manpower and financial resource allocation for intensifying the mineral exploration activities. Wherever required, the drilling and other exploration activities will also be

outsourced to technically competent organizations following a transparent process of competitive bidding, who will undertake the exploration under the supervision and guidance of the Directorate.

5.1.3. The State Government will enter into Memorandum of Understanding with organizations like the GSI and / or the MECL for undertaking exploration activities in the State.

5.1.4. The GSI has already set up an office in the State. Efforts will be made to persuade the MECL to establish a field office in Odisha for exploration activities.

5.1.5. The possibility of setting up an Odisha Mineral Exploration Corporation with participation of the Odisha Mining Corporation, MECL and mineral resource based industries of the State will be explored in order to intensify the mineral exploration in the State.

5.1.6. There is need to build up the capacity, both institutional and manpower, to meet the challenges of the need to upscale the mineral exploration capacity. A comprehensive review of the manpower needs of mineral exploration sector will be carried out and steps will be taken to increase the capacity of educational institutions to meet these needs.

5.2. Updation of Status Report :

5.2.1. The Directorate of Geology shall publish a consolidated report on the status of mineral exploration and the estimated mineral reserves in the State within six months.

5.2.2. This report is expected to provide focus to mineral exploration activities and to help in identifying the exploration gaps and guiding the investment in mineral exploration.

5.3. Preparation of Master Plan:

The Directorate of Geology will, with technical assistance and support of experts, prepare a master plan for a time frame of ten to fifteen years for taking up reconnaissance and prospecting operations for mineral exploration, in consultation with all stakeholders.

5.4. Role of Permit holders, licensees and lessees:

5.4.1. The holders of mining leases have important role and responsibility for carrying forward the mineral exploration work. Their progress will be closely monitored and reviewed in order to ensure that such responsibilities are discharged with due diligence by them.

5.4.2. The Directorate of Geology will conduct annual review of all holders of reconnaissance permits, Prospecting licenses and mining leases and continuance of such permits/licenses or leases will be linked with their performance in the scientific exploration.

5.5. Financial support for mineral exploration:

5.5.1. Mining revenues and economic benefits are directly related to the extent of scientific mineral exploration. Adequate budgetary support will be provided for funding the mineral exploration activities.

5.5.2. Appropriate financial arrangement will be made for the proposed Odisha Mineral Exploration Corporation to assure reasonable financial return to the Corporation in view of the fact that mineral exploration, per se, is not a commercially profitable business.

5.6. Prioritization:

5.6.1. The mineral exploration work will be prioritized to focus on early commencement of accrual of economic benefits. While detailed prioritization will be finalized in the master plan, priority will be given for upgrading all the existing G3 level explored areas to G2 level, to the exploration in bulk minerals like iron ore, bauxite, manganese etc. Focus will be given to exploration in minerals with high employment and/or value addition potential like gemstones, decorative stones and other major / minor minerals and strategic minerals like atomic sands etc.

6. Miscellaneous:

6.1. The Department of Steel and Mines shall undertake an annual review of the progress in implementation of the mineral exploration policy.

6.2. Periodical reviews of the effectiveness of the policy will be carried out through third party experts at the interval of 3 to 5 years for appropriate modification and course-correction.

Annexure – I

Sl. No. (1)	Name of mineral (2)	Estimated Resources(Odisha) in million tones* (01.04.2014) (3)	Estimated Resources(India) in million tones* (01.04.2010) (4)
1.	Asbestos	0.057	22.166
2.	Basemetal	7.940	1570.745
3.	Bauxite	1878.808	3479.620
4.	Chinaclay	280.912	2705.207
5.	Coal	75073.000	301560.000
6.	Cobalt	31.000	44.910
7.	Chromite	176.749	203.346
8.	Dunite	14.333	185.369
9.	Fireclay	170.076	713.519
10.	Graphite	8.608	174.849
11.	Iron Ore	5737.142	28526.160
12.	Limestone	1768.509	184935.112
13.	Dolomite	676.384	7730.557
14.	Manganese	190.350	429.980
15.	Mineral Sand	240.341	632.000
16.	Nickel	174.000	189.000
17.	PGM (Metal Content)	(Tones) 14.000	(Tones) 15.700
18.	Pyrophyllite	12.267	56.082
19.	Quartz/ Silica Sand	74.058	3499.031
20.	Quartzite	60.283	1251.248
21.	Talc-steatite-soapstone	0.820	269.022
22.	Tin Ore	0.016	83.726
23.	Vanadium	6.480	24.718

**Figures are in million tones except where mentioned.*

Annexure-II**IRON ORE**

Sl. No.	Name of the Mineral block	Area in sq. km.	Period of exploration	Agency that conducted the exploration	Level as per UNFC	Resource in million tonnes
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Malangtoli, Keonjhar	4.94	1963-68	GSI	G2	434
2.	Thakurani-A, Keonjhar	10.48	1985	GSI	G4	187
3.	Horomoto, Keonjhar	2.07	1976-77	GSI	G4	61
4.	Khandadhar, Sundargarh	10.56	2002-05	DG(O)	G2+G3	204
5.	Mankarnacha, Sundargarh	2.3	1996-97	TISCO &GSI	G2+G3	291
6.	Baliapahar, Sundargarh	1.5	1971-74 and 1990-95	DG(O)	G2+G3+G4	136
7.	BadamgarhPahar, Sundargarh	10.72		GSI	G4	80
8.	Ghoraborani-Sagasaki, Sundargarh	2.45	2007-10	GSI	G4	46.2
9.	Sagasaki East, Sundargarh	0.8	2010-13	GSI	G3	43.38
10.	DholtaPahar, Sundargarh	0.6	2009-10	DG(O)	G3	15.808
11.	Kalmang West Block, Sundargarh			GSI	G3	33.78
13.	Mithirda – Basada, Sundargarh	2.81	1995-97+2004-05	DG(O)	G3+G4	150
14.	Jumuka, Sundargarh	2.995	1997-2000	GSI	G3	98
15.	Mandajoda, Sundargarh	1.93	2008-09	DG(O)	G4	17.47

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BAUXITE

Sl. No.	Name of the Mineral block	Area in sq. km.	Period of exploration	Agency that conducted the exploration	Level as per UNFC	Resource in million tonnes
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Maliparbat, Koraput Dist.	1	1975-77	GSI	G-3	9.8
2.	Ballada, Koraput Dist.	3.35	1975-77	GSI	G-3	11.5
3.	Kodingamali, Koraput Dist.	6	1975-77	GSI	G-3	81
4.	Kakrimali, Koraput Dist.	0.52	2004	DG(O)	G-3	5.2
5.	Chintamgundi, Koraput Dist.	0.3	1981-82	GSI & DG(O)	G-3	12
6.	KarnapodiKonda, Koraput Dist.	1.93	1975-77	GSI	G-3	17
7.	Majhingamali, Rayagada Dist.	2.3	2004	DG(O)	G-3	19
8.	Indragiri, Rayagada Dist.	1.8	1975-76	DG(O)	G-3	6
9.	Baphilimali, Rayagada Dist.	9.6	1975-77	GSI	G2	195
10.	Sasbohumali – Pasangamali, Rayagada Dist.	12.74	1975-77	GSI	G-3	81
11.	Sijimali, Rayagada Dist.	6.34	1980-81to 83-84	GSI &L & T	G2	244.8
12.	Karlapat – Pullingpadar, Kalahandi Dist.	9.6	1992-96	DG(O)	G2+G3	207
13.	Kutrumali, Kalahandi Dist.	4.6	1975-77	GSI &L & T	G2	40
14.	Lanjigarh – Niyamgiri, Kalahandi Dist.	1.6	1975-77,1979-81,2002-03	GSI,MECL	G2	88
15.	Kishanmali, Kalahandi Dist.	2.36	2004	DG(O)	G-3	28.30
16.	Keluamali, Kalahandi Dist.	2.95	2004	DG(O)	G-3	49
17.	Gandhamardan, Bolangir - Bargarh Dists.	7.5	1975-79	DG(O)	G2	207

LIMESTONE

Sl. No.	Name of the Mineral block	Area in sq. km.	Period of exploration	Agency that conducted the exploration	Level as per UNFC	Resource in million tonnes
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Kotametta – Nandiveda – Uskalvagu, Malkangiri Dist.	5.48	1981-84	DG(O)	G2+G4	240.00
2.	Kiringsera, Sundargarh Dist.	0.199	1966-68	DG(O)	G3	30.00
3.	Khairtala, Sundargarh Dist.	0.259	1965-66	DG(O)	G4	6.00
4.	Dublabera, Sundargarh Dist.	0.31172	1964-65	DG(O)	G4	3.00
5.	Dungri , Bargarh Dist.	5.02	1957	DG(O)	G3+G4	80.50
6.	Banjipalli , Bargarh Dist.	3.04	1977-79	DG(O)	G3	2.97
7.	Jampalli – Pikrijharan, Bargarh Dist.	4	1970-71, 1977-78, 1978-79 to 1981-82	DG(O)	G -3	10.60 5.29
8.	Nuapara – Putka, Bargarh Dist.	4.35	1969-70 , 1974-76	DG(O)	G3	23.80

MANGANESE ORE

Sl. No.	Name of the Mineral block	Area in sq. km.	Period of exploration	Agency that conducted the exploration	Level as per UNFC	Resource in million tonnes
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Lasarda, Keonjhar Dist.	0.44	2003-05	GSI	G2	2.480
2.	Pacheri, Keonjhar Dist.	0.55	2001-03	GSI	G2	1.730
3.	Kendudihi- Parulipada, Keonjhar Dist.	1.04	2001-03	GSI	G2	0.700
4.	Kenamenta - Mandajoda, Sundargarh Dist.	0.183	2008-09	DG(O)	G4	0.446
5.	Nishikhal-Kutinga Rayagada Dist.	8.26	1980-87	GSI	G2	13.914
6.	Taladoshi– Upardoshi, Rayagada Dist.	2.0	1988-90	GSI	G2	2.982

ORDER

Ordered that this Resolution be published in an Extraordinary issue of *Odisha Gazette*.

By Orders of the Governor

R.K.SHARMA
Principal Secretary to Government